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TAGS: [PGOV](#) [EG](#)
SUBJECT: RUMORS OF CABINET SHUFFLE ABOUND

REF: 2007 CAIRO 2577

Classified by DCM Stuart Jones for reasons 1.4 (b) and (d)

¶1. (C) Amidst growing popular and media agitation against rising prices and occasional shortages of bread and fuel, rumors have started again (ref) in Cairo that a cabinet shuffle will occur roughly two weeks after the April 8 local elections. During the Ambassador's April 6 farewell call, Prime Minister Ahmed Nazif made two direct references to a rumored cabinet reshuffle, expected to take place two weeks after April 8's local council elections. Also on April 6, Minister of Finance Yousef Boutros Ghali told our USAID Mission director that ministerial changes would be announced in two weeks. In the meantime, Boutros Ghali has cancelled his travel to the U.S. for this weekend's spring World Bank/IMF meetings. The guiding principle of Mubarak's cabinet shuffles is that they tend to be less than advertised. It is too early to say definitively who will be up and who will be out. It depends on Mubarak himself, and he likely has not made up his own mind yet.

¶2. (C) That said, the betting is running heavily against Nazif. According to the rumor mill, he will most likely be replaced by Minister of Trade and Industry Rachid. Other vulnerable cabinet members are Minister of Social Solidarity Moselhi (responsible for bread subsidies); Minister of Higher Education Hany Hilal; Minister of Justice Mamdouh Marei, and Minister of Finance Boutros Ghali. There is some talk that Mubarak acknowledges that Minister of Defense Tantawi is no longer effective. There has been murmuring within the GOE that the Gaza incursion in January was mishandled by MOD. But this strikes us as wishful thinking by Cairenes rather than hard analysis. A contact who met recently with FM Aboul Gheit also tipped us off that Aboul Gheit had hinted to a group of prominent business people that he may be leaving. This contact characterized Aboul Gheit's upcoming April 17-18 visit to Washington as his "farewell" trip. Again, this could be wishful thinking by those who dislike Aboul Gheit's imperious manner. It is difficult to imagine who Mubarak would name in his place. The Egyptian president is reportedly not a fan of outgoing Ambassador to the U.S. Nabil Fahmy and there are no other obvious candidates. If and when the shuffle occurs, it will shed considerable light on how successfully presidential son and likely presidential aspirant Gamal Mubarak and his strong backer, Ahmed Ezz, are doing in consolidating their control over the ruling National Democratic Party.
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